

Portfolio Management

May 18th 2012



Speaker Profiles

- Credit Suisse



- Benedicte Lambert

- Director - IT Project Portfolio Management
 - Design Program Manager Clarity Implementation

- Peter Hofstetter

- Vice-President - IT Project Portfolio Management
 - Business Architect Clarity Implementation

- Annitek Consulting



- Prominder Nayar

- Manager of Clarity Services
 - Senior Clarity PPM Solutions Architect/Trainer

Agenda

- Introduction – Speaker Profiles
- Organizations presenting today
- Introduction to Portfolio Management Processes
- Implementing Portfolios within CA Clarity
- Business Challenges
- Q&A
- Credit Suisse Business Challenges
 - Top Down Portfolio Planning
 - Business specific Optimization
- Q&A
- Contact Information

About Credit Suisse

Credit Suisse is a leading global financial services company, offering clients financial advice in all aspects of investment banking, private banking and asset management.

Headquartered in Zurich, Switzerland, with major hubs in New York, London, Singapore, Hong Kong, Tokyo and offices in 50 more countries on all continents. Total number of employees: 49,700.

Adoption of CA Clarity PPM in 4 major releases:
resource management, portfolio planning, project planning,
time tracking for the IT division

About Annitek

Since 2005, Annitek Consulting has been a leader in providing expert consulting support to the CA Clarity PPM user community throughout North America and Europe.

Annitek's expertise and capabilities within Clarity PPM encompass all aspects of the product from implementation and deployment through training, including providing Proof of Concept & customer environment assessments; installing, migrating, upgrading, staffing, and project managing CA Clarity PPM implementations; turning around failed, stalled, or troubled implementations; and getting customers up and running on CAPA, & developing customized CAPA Content.

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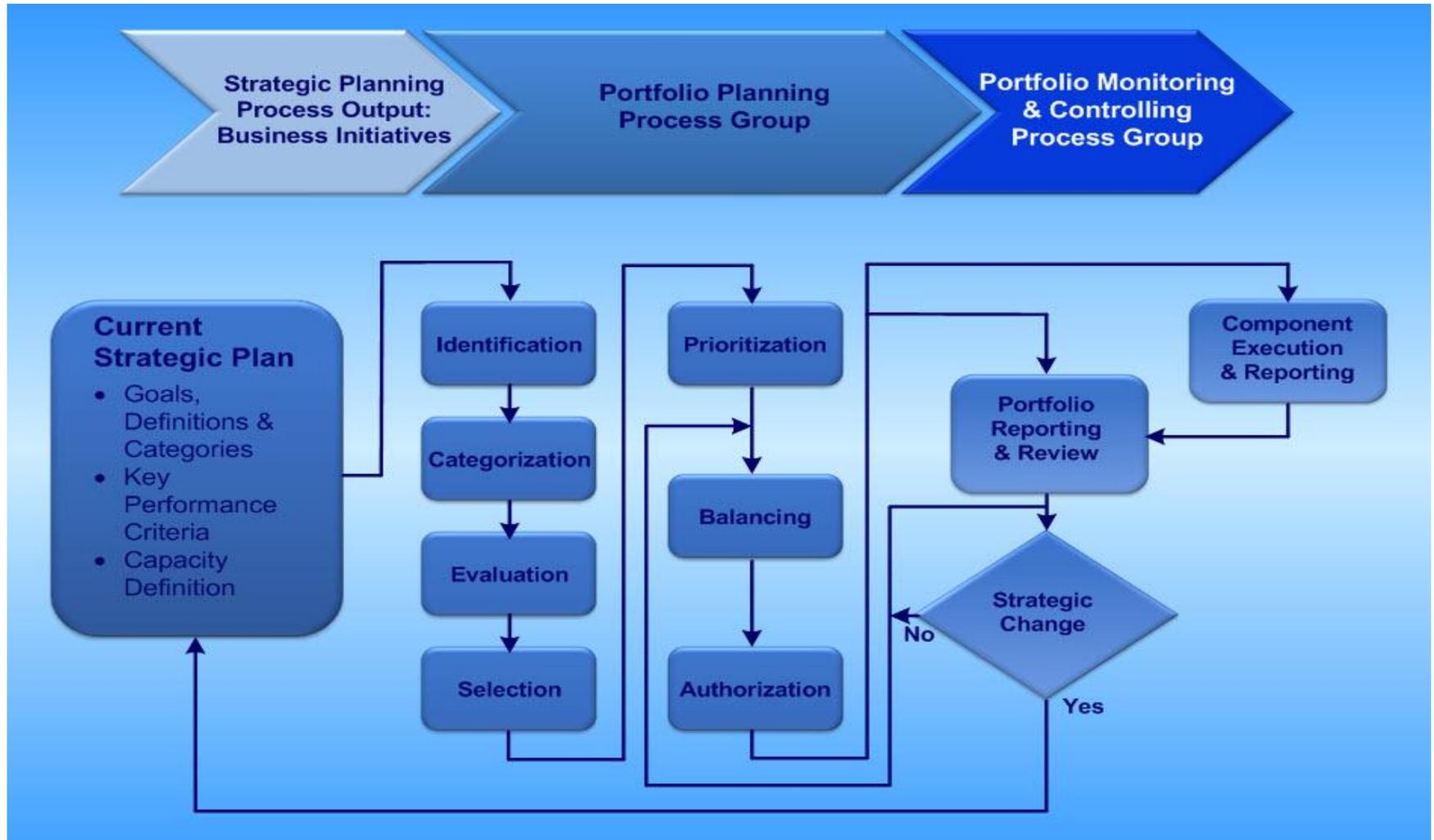
What is a Portfolio?

- A Portfolio reflects investments made or planned by an organization, which are aligned with the organizations strategic goals and objectives. It is where priorities are identified, investment decisions are made, and resources are allocated. If a portfolio's components are not aligned to its organizational strategy, the organization can reasonably question why the work is being undertaken.

What is Portfolio Management?

- Portfolio Management: The centralized management of one or more portfolios, which includes identifying, prioritizing, authorizing, managing, and controlling projects, programs, and other related work, to achieve specific strategic business objectives.
- While project management focuses on **doing things right**, project portfolio management focuses on **doing the right things**.

Portfolio Management Process Interactions



Implementing the PMI Process in Clarity



Identification: Identifying Investment so that they can be evaluated and grouped.

Categorization: Once identified, each investment needs to be categorized for example RTB and CTB. This allows organization to balance its investments and its risks between all strategic categories and goals.

Implementing the PMI Process in Clarity



Evaluation: Finalize a scoring model and gathering information for scoring investments are the 2 key components for evaluation. Simple cost, benefit, risk, alignment, priority, and status needs to be collected so that the investments can be scored. These attributes mentioned above actually create the 10 Portlets within CA Clarity Portfolios.

Selection: Using Evaluation methods mentioned above we need to reach a short list of investments where we want to spend our money. Within Clarity this is done by the efficient frontier that gives you multiple candidate scenarios. By using Prioritization and optimization within Clarity we can reach our short list.

Implementing the PMI Process in Clarity

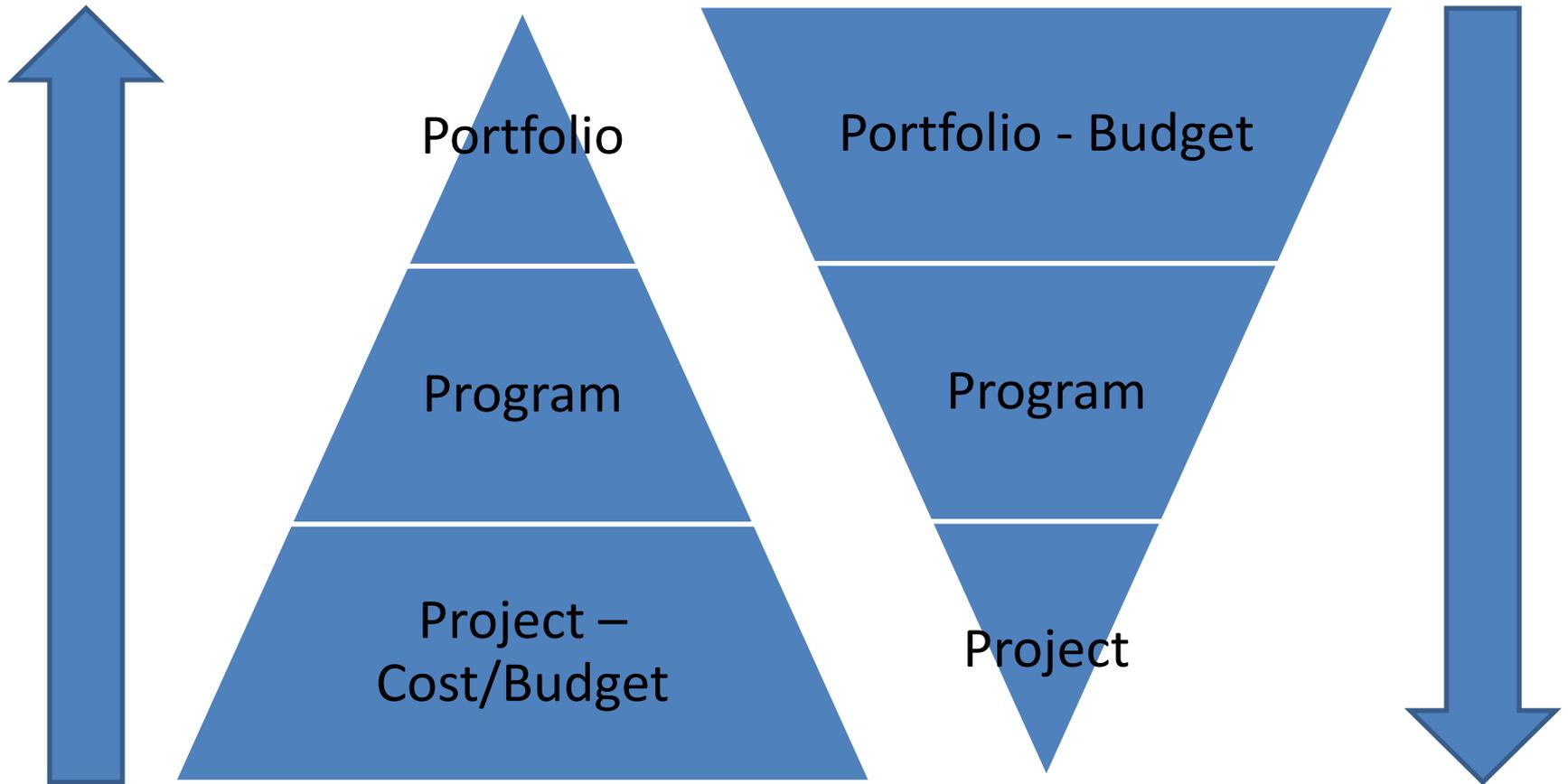


Prioritization: Prioritization happens when we give each selected investment a rank within each strategic or funding category.

Balancing: Portfolio balancing allows us to take our strategic goals and map them to our existing resources so that we can achieve our strategic objectives and goals.

Authorization: Authorization happens when the steering committee gives its approval to the release plan and the go ahead to start the investment process. Communicating the decisions to all is also included within this process.

Top-Down vs. Bottom-Up



When you are in the identification process you need to take a decision as to how you will implement it. Top down and bottom up are 2 approaches.

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Implementing Portfolios in CA Clarity PPM

- Create Inventory with certain KPIs identified
- Create a Portfolio
- Include Inventory items in your Portfolio
 - (You now have access to 10 Clarity Portlets)
- Create Scenarios
 - Optimization
- Communicate the results to the PMs
- Monitor the Impact

Create Inventory

Some of the attributes that help build the Portlets within Portfolio are:

- Risk
- Alignment
- Goal
- Status
- Stage
- Simple Cost Plan
- Simple Benefits
- Simple Benefits
- Priority

The screenshot shows a 'General' configuration form for a project. The form is divided into two columns. The left column contains fields for Project Name, Project ID, Description, Page Layout, and Approval Status. The right column contains fields for Risk, Goal, Alignment, Status, Stage, Active, Program, Template, and Required. Each field has a specific value or state, and some have icons for editing or deleting.

| Field | Value |
|-----------------|---|
| Project Name | Alpha Implementation |
| Project ID | PR000045 |
| Description | This example project is going to be used throughout this course. This project will take place in July 2007. |
| Page Layout | Project Default Layout |
| Approval Status | Unapproved |
| Risk | ◇ |
| Goal | Infrastructure Improvement |
| Alignment | ◇ |
| Status | Unapproved |
| Stage | Initiation |
| Active | <input checked="" type="checkbox"/> (To deactivate project, first disable Financial.) |
| Program | <input type="checkbox"/> (Project must not have tasks, staff members or be financially enabled to be converted to a program.) |
| Template | <input type="checkbox"/> (Project must not have time entries or be financially enabled to be marked as a template.) |
| Required | <input checked="" type="checkbox"/> |

Create Portfolio

- The key thing to remember when you create a Portfolio is that it is time bound.
- Start date and end date are used in the portlets to show budgets and benefits within the time limits.

The screenshot shows a 'General' form for creating a portfolio. The form contains the following fields and values:

| | |
|------------------------------|-------------------------------------|
| * Portfolio Name | Business Applications |
| * Portfolio ID | AP1000 |
| Description | Business Applications |
| * Layout | Portfolio Default Layout |
| * Manager | Smith, Jack |
| * Start Date | 1/1/05 |
| * Finish Date | 10/31/06 |
| * Currency | USD |
| * Planned Cost | 700,000.00 |
| * Planned Benefit | 300,000.00 |
| Active | <input checked="" type="checkbox"/> |
| * Manage Costs Using | Total Planned Cost |
| * Capacity Unit Type | Hours |
| * Manage Capacity Using | Total Capacity |
| * Portfolio Investment Types | All |

Buttons: Save, Cancel

Legend: * = Required, + = Enter Once, # = Unique

Identify Portfolio Content

- You can add content based on power filters

Portfolio Contents (Portfolio: Business Applications)

Properties **Contents** Scenarios Scorecard Analyze

Portfolio Business Applications

Include and Filter Investments

| <input checked="" type="checkbox"/> | Investment Type | Included | Select with Power Filter | Last Synchronized |
|-------------------------------------|-----------------|----------|--------------------------|-------------------|
| <input type="checkbox"/> | Application | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Asset | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Idea | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Other Work | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Product | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Project | | [Build Power Filter] | N/A |
| <input type="checkbox"/> | Service | | [Build Power Filter] | N/A |

Include
 Exclude
 View Matching Investments
 Synchronize
 Clear Power Filter

Individual Investments

| <input checked="" type="checkbox"/> | Name | ID | Investment Type |
|-------------------------------------|---------------------|--------|-----------------|
| <input type="checkbox"/> | Accounts Receivable | AP2001 | Application |

Total Results: 1

Add Remove

Portfolio Roles

| <input checked="" type="checkbox"/> | Name | Role Capacity |
|-------------------------------------|-----------------------------|-------------------------------------|
| <input type="checkbox"/> | CSK Business Analyst | <input type="text" value="4,176"/> |
| <input type="checkbox"/> | CSK Chief Executive Officer | <input type="text" value="2,088"/> |
| <input type="checkbox"/> | CSK Developer | <input type="text" value="10,088"/> |

Add Save Reset Remove Refresh Capacity

WorkEffort = Hours

Portfolio Portlets

Out of the box, Clarity PPM provides 10 Portlets on 2 tabs:

- Scorecard Tab:
 - Investments
 - Balance
 - Gantt
 - Financials
- Analyze Tab:
 - Benefits by Goal
 - Planned Costs
 - Planned Cost/Benefit
 - Life Cycle Funnel
 - Risk/Reward Quadrants
 - ROI/Alignment Zones

For reference purposes they are discussed in the Appendix.

Scorecard: Investment Portlet

Portfolio Scorecard (Portfolio: FY07 Planning) [Personalize][Manage Portfolio Tabs]

Properties Contents Scenarios **Scorecard** Analyze

Portfolio: FY07 Planning Scenario: [--Plan of Record--] Compare To: [--None--]

Status: All Portfolio Roles: All Booking Status: All Filter More >>

Investments Investments [--Actions--]

Filter: [--Select--] [Expand Filter]

| Investment | ID | Priority | Goal | Alignment | Risk | Stage | Start | Planned Cost | Actual Cost | Remaining Cost | Role Demand | Role Actuals | Remaining Role Allocation |
|--|---------------|----------|----------------------------|-----------|------|-------|----------|-------------------------|-------------|----------------------|------------------|--------------|---------------------------|
| Accounts Receivable | AP2001 | 1 | Maintain the Business | ⚠ | ⬜ | ▬ | 6/1/06 | 23,008.85 USD | | 23,008.85 USD | 888.00 | | 888.00 |
| General Ledger Application | AP2002 | 10 | Maintain the Business | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| KS Labor Effort for Desktop Installation | PR000001 | 10 | Infrastructure Improvement | ⬜ | ⬜ | ▬ | 11/27/06 | 19,736.84 USD | | 19,736.84 USD | 742.62 | 8.00 | 734.62 |
| KS Unicenter Asset Portfolio Management | AP00000001 | 10 | Cost Reduction | ⬜ | ⚠ | ▬ | 11/27/06 | 0.00 USD | | 0.00 USD | 4,297.60 | 16.00 | 4,281.60 |
| Laptop/Desktop Support | LT_DT_Support | 10 | Cost Avoidance | ⬜ | ⬜ | ▬ | 1/1/06 | 0.00 USD | | 0.00 USD | 0.00 | | 0.00 |
| Learning Management System | LMS | 10 | Cost Reduction | ⬜ | ⬜ | ▬ | 11/1/06 | 0.00 USD | | 0.00 USD | | | |
| Payroll | AP2007 | 10 | Infrastructure Improvement | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| PeopleSoft Base Benefits | AP2005 | 10 | Maintain the Business | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| PeopleSoft Base Human Resources | AP2003 | 1 | Infrastructure Improvement | ⬜ | ⚠ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| PeopleSoft Benefits Administration | AP2006 | 10 | Cost Reduction | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| Put TV's in Lunch Room | 3456 | 10 | | ⬜ | ⬜ | ▬ | 1/1/07 | | | | 9,600.00 | | 9,600.00 |
| SAP - Master | SAP_Master | 10 | Cost Avoidance | ⬜ | ⬜ | ▬ | 1/1/06 | 0.00 USD | | 0.00 USD | | | |
| SAP Advance Planning & Optimization | AP2008 | 10 | Cost Reduction | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| SAP Event Management | AP2010 | 10 | Infrastructure Improvement | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| SAP Finance | SAP-Finance | 10 | | ⬜ | ⬜ | ▬ | | | | | | | |
| SAP Inventory Collaboration Hub | AP2009 | 10 | Cost Reduction | ⬜ | ⬜ | ▬ | | 0.00 USD | | 0.00 USD | | | |
| Aggregation | | | | | | | | 42,745.69 USD | | 42,745.69 USD | 15,528.22 | 24.00 | 15,504.22 |
| Comparison | | | | | | | | 1,000,000.00 USD | | | 41,760.00 | | |
| Variance | | | | | | | | 957,254.31 USD | | | 26,231.78 | | |

Total Results: 16
Highlighted rows = Approved Flag

If an investment and one or more of its children are explicitly in the portfolio, the costs will be aggregated appropriately. The costs are not double counted.

Scenarios

- Scenarios are hypothetical portfolio changes defined by users.
 - What if this investment is delayed, stopped or approved?
 - What if we need to decrease our overall budget?
- These scenarios can be created and then applied to the portfolio in different views (Portlets) to see the result of the proposed changes.

Scenario Pages

- **Properties** – high level information.
- **Role** – the investment roles for the scenario.
- **Constraints** – absolute values that must be included/excluded from scenario.
- **Optimizations** – the goals of the scenario, these values will be used to populate the rest of the scenario content.
- **Efficient Frontier** – the possible combinations for the scenario.
- **Investments** – any individual investments can be modified.

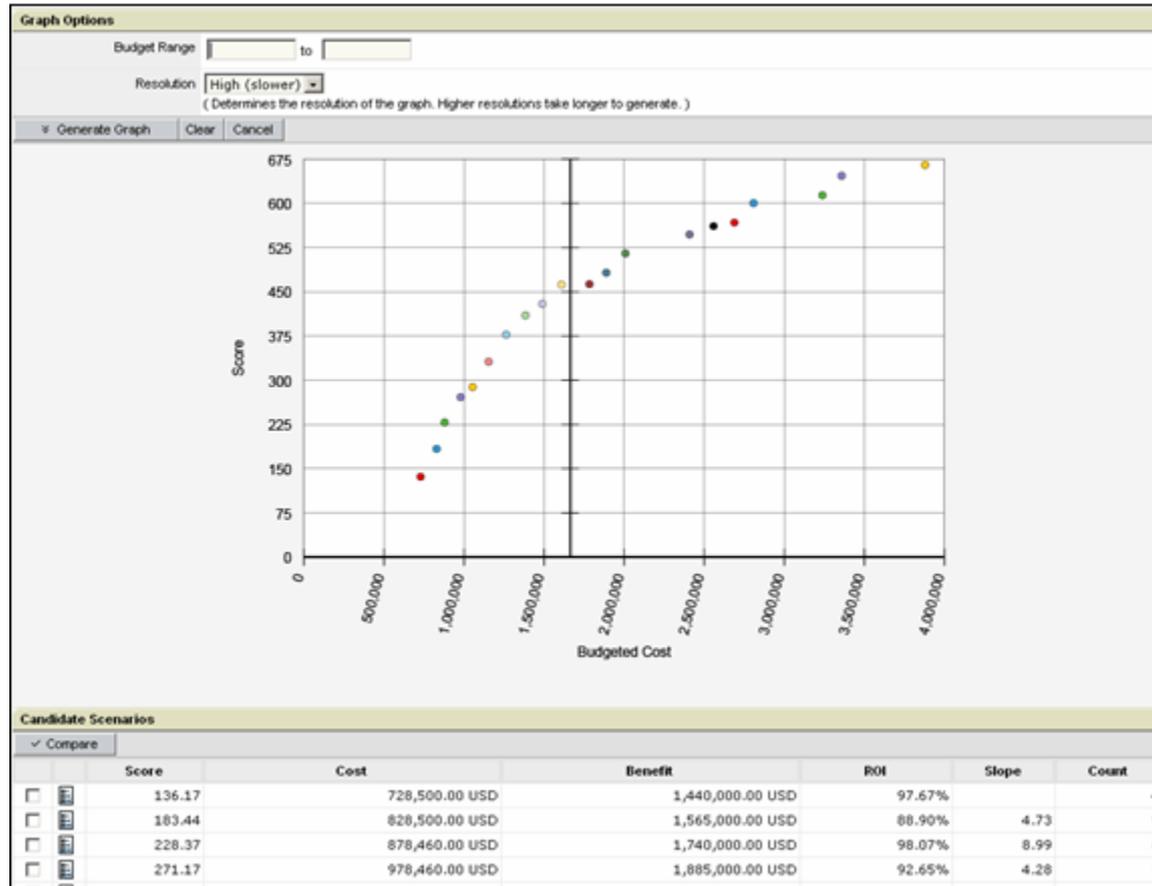
Optimization

- Optimization parameters are hints to the system telling it what the important factors are when selecting investments for a scenario.
- Impact of optimization is seen when scenarios are generated and can impact your decision in deciding which investment should be included within your Portfolio.

Efficient Frontier

- The Efficient Frontier is a tool that helps to build a set of candidate scenarios.
- It uses the same geometric algorithm as generating a single scenario, but the budgeted cost amount is incremented over an investment range to produce a set of candidate scenarios.
- By doing this the user can see benefit trends which can help them decide whether a higher or lower investment amount would be more prudent.

Efficient Frontier



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Business Challenges

- Business thinks top down, vs Clarity PPM whose strength is bottom up.
- Not all planning can be done within the tool.
- Prioritization of Portfolios are usually done with Business Drivers which are different from portfolio to portfolio.
- Many organizations struggle to deploy pipeline portfolios and as a result waste thousands of hours during annual planning.
- Many decisions are not based on analytics, but rather driven by emotion.
- The key challenge is harmonization of processes that are *outside of the tool* and the processes that are *within the tool*.
- Benefit realization/recognition can be a difficult task.

Questions

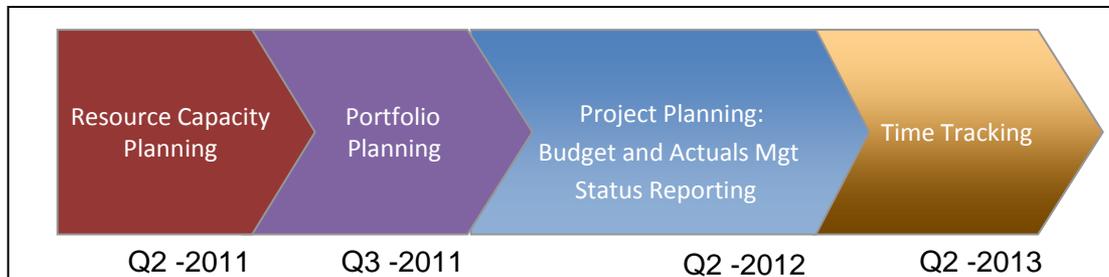


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Credit Suisse PPM Implementation

- Credit Suisse has a long history in IT Project Portfolio Management, managing every year approx. 6,000 projects worth multiple billions.
- After internally developed PPM software came to end-of-life, a decision was made to purchase a leading integrated vendor tool.
- In 2010 CA Clarity PPM was chosen and a multi-year implementation approach defined with 4 major releases to deploy (1) resource management, (2) portfolio planning, (3) project planning, (4) time tracking for all of IT (ultimately 18,000 users)



Credit Suisse PPM Implementation

- Credit Suisse had specific requirements to support its relatively mature but diverse portfolio processes.
- Out of the box, Clarity wasn't able to satisfy all of those requirements, therefore additional configuration was required.
- The following presentation highlights 2 challenges Credit Suisse faced with its portfolio management implementation.

Credit Suisse Approach: Top-Down

The first challenge was to support a well established top-down portfolio planning approach.

- Clarity effectively supports a Project Manager in planning an investment.
- It also provides rich portfolio grouping functionality. However, financial planning capabilities for portfolios are limited.
- Credit Suisse's planning process works very much top-down, where a sponsor is setting targets from a top node portfolio all the way down to programs and projects.
- The business needed a place to manage targets independent of a PM's cost planning and before a budget was locked down.

Solution:

- Custom object to store targets
- Custom portlets to compare IT forecast (cost plan) and business target across hierarchy

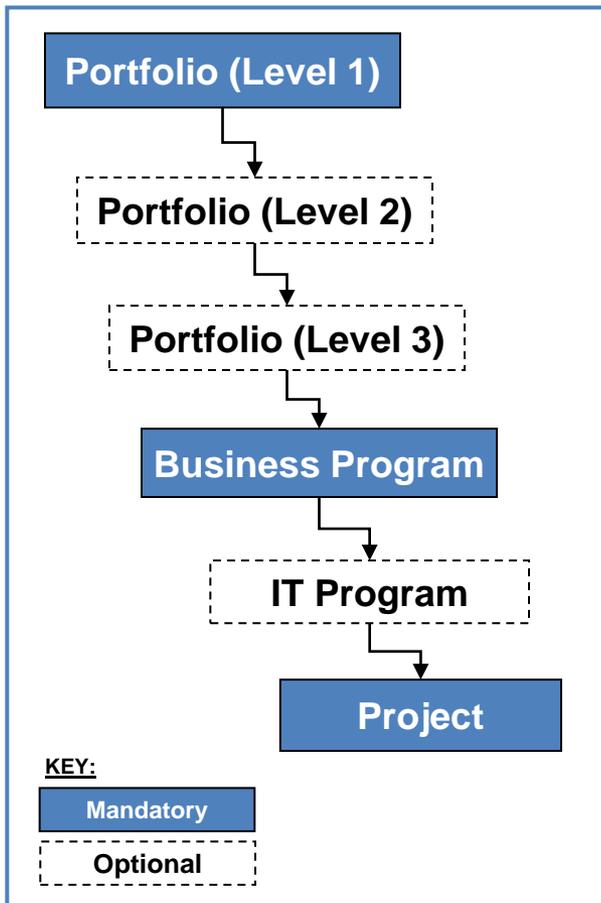
Top-Down: Requirements

Credit Suisse Portfolio Hierarchy

- Multiple Portfolio Levels, along business areas
- 2 Program levels above Project
- Supporting top-down financial planning with clear decision making authority and bottom-up monitoring with clear accountability for resource allocation, delivery and target consumption

Top-Down: Requirements

Credit Suisse Portfolio Hierarchy



Portfolio:

- Grouping of programs and projects with a set funding target which share common governance and sponsorship
- 1 year financial outlook (Portfolio Target)
- Used to prioritize contents against drivers within annual target constraint

Business Program

- Focus is to represent expected Business deliverables and benefit
- Top down Target by year
- Cost plan for the lifetime of the Program
- Used to identify / track business value
- Business Programs can belong only to one active (Execute) Portfolio

IT Program

- Focus is to enable Inter-project planning and coordination (IT Planning)
- Top down Target by year
- Cost plan for the lifetime of the Program
- Used for coordination of IT work / efficiencies in delivery
- IT Programs can belong only to one Business Program

Project

- Focus is control of work execution and authorize spending
- Top down Target by year
- Cost plan for the lifetime of the Project
- 3 month Resource allocation
- Collection of actuals only at Project Level
- Projects can belong only to one IT / Business Program

Top-Down: Challenge

Clarity

The financial planning process in Clarity starts with a PM creating a cost plan for which a budget approval is submitted. Different investments would then be pulled into a portfolio and optimized (bottom-up)

Credit Suisse Requirements

Credit Suisse financial planning process starts with the business sponsor setting a top down target (funding intention) on higher levels of the portfolio hierarchy.

The program or project manager then elaborates a cost plan against this target. Through portfolio selection and optimization processes targets and cost plans are iteratively revised.

It is essential that the business sponsor is able to maintain a separate target value and does not just get to approve a budget after the IT project manager has completed the cost planning.

Top-Down: Challenge

- In Clarity, cost plans in the investment hierarchy portlet (as well as the portfolio content) automatically roll-up
- Total program planned cost keeps changing based on project cost plans
- This does not support top-down planning
- Sponsor does not have control over changes

Financial Rollup : Effort Rollup : Parents

Select View Basic ▾

Financial Rollup (Basic) [--Actions--] ▾

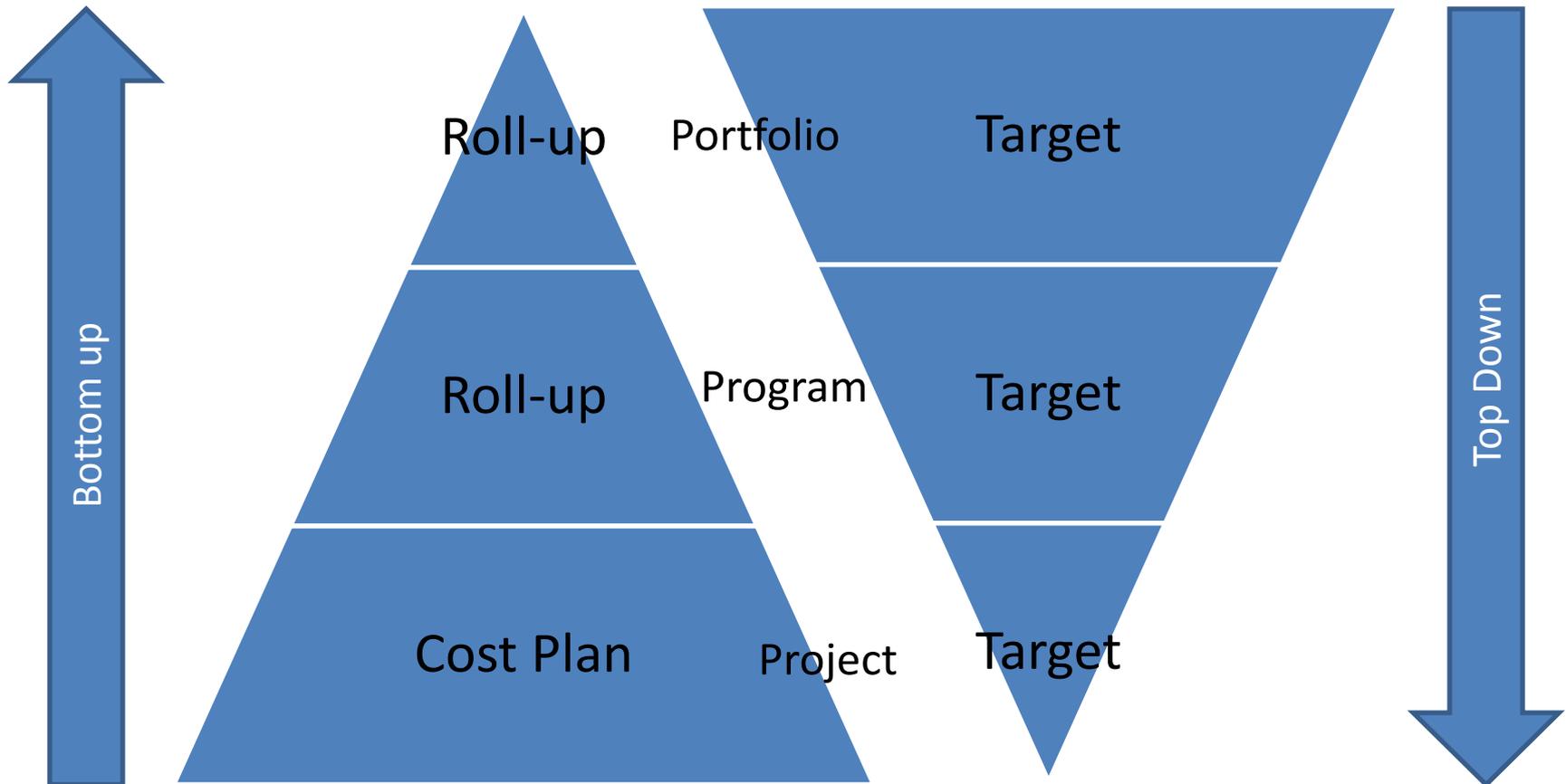
Filter [--Select--] ▾ [Expand Filter]

| <input type="checkbox"/> | Child▲ | Type | Status | Planned Cost |
|--------------------------|----------------------------|---------|------------|----------------------|
| <input type="checkbox"/> | ☐ Credit Suisse Program Y | Project | Unapproved | 2,000,000 CHF |
| <input type="checkbox"/> | ☐ Self | | | 800,000 |
| <input type="checkbox"/> | ☐ Credit Suisse Project YY | Project | Unapproved | 1,200,000 CHF |
| Total | | | | 2,000,000 CHF |

Add Child ▾ Remove

Top-Down: Solution Overview

Custom Object to store Targets and Custom Portlet to view Portfolio Financials (comparison of Target and Cost Plan roll-up)



Top-Down: Solution

Custom Object to store Top Down Targets

ties (Portfolio Top Down Target: Credit Suisse Portfolio X)

Targets defined for all investments in a portfolio and for a fiscal year

| Top Down Target | | | | | | | | | |
|---------------------------------------|------|--------------------------|------------------|---------------------------|-------------------|------------------|-------------------|--------------|--|
| Filter System Default [Expand Filter] | | | | | | | | | |
| <input type="checkbox"/> | Year | Investment Name | Investment Type | Parent Name | Parent Type | Investment Stage | Investment Status | Target (CHF) | |
| <input type="checkbox"/> | 2012 | Credit Suisse Program Y | Business Program | Credit Suisse Portfolio X | Portfolio Level 2 | Initiate | Unapproved | 2,000,000 | |
| <input type="checkbox"/> | 2012 | Credit Suisse Project YY | Project | Credit Suisse Program Y | Business Program | Initiate | Unapproved | 1,000,000 | |
| <input type="checkbox"/> | 2012 | Credit Suisse Program Z | Business Program | Credit Suisse Portfolio X | Portfolio Level 2 | Initiate | Unapproved | 500,000 | |
| <input type="checkbox"/> | 2012 | Credit Suisse Project ZZ | Project | Credit Suisse Program Z | Business Program | Execute | Approved | 500,000 | |

Total Results: 4

Save Delete Exit

Support of Credit Suisse Portfolio Hierarchy

Easy editing for entire portfolio

Top-Down: Solution

Custom Portlet to view Portfolio Financials -> details on next 2 slides

Portfolio: Portfolio Financials (Portfolio: Credit Suisse Portfolio X)

Properties
Contents
Scenarios
Scorecard
Analyze
Portfolio Financials
Cost Distribution
Supplier Splits

Portfolio Financials
[--Actions--] ▼

Filter [--Select--] ▼
[Collapse Filter]

Investment Active
All ▼

Filter
Show All
Save Filter
Clear

| Portfolio ID | Portfolio Name | Link to Top Down Target | Top Down Target (CHF) | Undistributed Target (CHF) | Planned Cost Roll Up (CHF) | Variance between Target and Planned Cost (CHF) | Actuals Roll Up (CHF) |
|--------------|---------------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|-----------------------|
| PF-000141 | Credit Suisse Portfolio X | | 5,000,000 | 2,500,000 | 2,500,000 | 2,500,000 | |

Total Results: 1

Portfolio Financials - Investments
[--Actions--] ▼

Filter [--Select--] ▼
[Expand Filter]

| Investment ID | Investment Name | Investment Type | Investment Stage | Investment Status | Parent Investment | Link to Top Down Target | Top Down Target (CHF) | Undistributed Target (CHF) | Planned Cost Roll Up (CHF) | Variance between Target and Planned Cost (CHF) | Actuals Roll Up (CHF) |
|---------------|--------------------------|------------------|------------------|-------------------|---------------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|-----------------------|
| PR-018747 | Credit Suisse Program Y | Business Program | Initiate | Unapproved | Credit Suisse Portfolio X | | 2,000,000 | 1,000,000 | 2,000,000 | 0 | |
| PR-018764 | Credit Suisse Project YY | Project | Initiate | Unapproved | Credit Suisse Program Y | | 1,000,000 | | 1,200,000 | -200,000 | |
| PR-018748 | Credit Suisse Program Z | Business Program | Initiate | Unapproved | Credit Suisse Portfolio X | | 500,000 | 0 | 500,000 | 0 | |
| PR-009609 | Credit Suisse Project ZZ | Project | Execute | Approved | Credit Suisse Program Z | | 500,000 | | 500,000 | 0 | |

Total Results: 4

Top-Down: Solution

Custom Portlet: Portfolio Financials

| Portfolio ID | Portfolio Name | Link to Top Down Target | Top Down Target (CHF) | Undistributed Target (CHF) | Planned Cost Roll Up (CHF) | Variance between Target and Planned Cost (CHF) | Actuals Roll Up (CHF) |
|--------------|---------------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|-----------------------|
| PF-000141 | Credit Suisse Portfolio X | | 5,000,000 | 2,500,000 | 2,500,000 | 2,500,000 | |

Portfolio
Planned Cost

Portfolio Target
minus
Sum of Business
Program Targets

Sum of
Investment
Cost Plans

Undistributed target is a key figure for Business Sponsor to identify room for new/additional investments

Top-Down: Solution

Custom Portlet: Portfolio Financials

Portfolio Financials - Investments [--Actions--]

Filter [--Select--] [Expand Filter]

| Investment ID | Investment Name | Investment Type | Investment Stage | Investment Status | Parent Investment | Link to Top Down Target | Top Down Target (CHF) | Undistributed Target (CHF) | Planned Cost Roll Up (CHF) | Variance between Target and Planned Cost (CHF) | Actuals Roll Up (CHF) |
|---------------|--------------------------|------------------|------------------|-------------------|---------------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|-----------------------|
| PR-018747 | Credit Suisse Program Y | Business Program | Initiate | Unapproved | Credit Suisse Portfolio X | | 2,000,000 | 1,000,000 | 2,000,000 | 0 | |
| PR-018764 | Credit Suisse Project YY | Project | Initiate | Unapproved | Credit Suisse Program Y | | 1,000,000 | | 1,200,000 | -200,000 | |
| PR-018748 | Credit Suisse Program Z | Business Program | Initiate | Unapproved | Credit Suisse Portfolio X | | 500,000 | 0 | 500,000 | 0 | |
| PR-009609 | Credit Suisse Project ZZ | Project | Execute | Approved | Credit Suisse Program Z | | 500,000 | | 500,000 | 0 | |

Total Results: 4

Target of Parent Minus Sum of Targets of Children

Targets managed by Business Sponsor
Cost Plans managed by IT

Target set for each investment (no roll-up)

Investment cost plans, rolled up to the respective level

Top-Down: Solution

Custom Portlet: Portfolio Hierarchy

| Portfolio Hierarchy | | | | | | | | | | | [--Actions--] |
|--|-------------------|------------------|-------------------|-------------------|--------------------|-------------------------|-----------------------|----------------------------|----------------------------|--|-----------------------|
| Filter [--Select--] | | | | | | | | | | | [Expand Filter] |
| Portfolio / Investment | Level / Type | Investment Stage | Investment Status | Link to Portfolio | Link to Investment | Link to Top Down Target | Top Down Target (CHF) | Undistributed Target (CHF) | Planned Cost Roll Up (CHF) | Variance between Target and Planned Cost (CHF) | Actuals Roll Up (CHF) |
| <input type="checkbox"/> Credit Suisse Portfolio X | Portfolio Level 2 | | | | | | 5,000,000 | 2,500,000 | 2,500,000 | 2,500,000 | |
| <input type="checkbox"/> Credit Suisse Program Y | Business Program | Initiate | Unapproved | | | | 2,000,000 | 1,000,000 | 2,000,000 | 0 | |
| <input type="checkbox"/> Credit Suisse Project YY | Project | Initiate | Unapproved | | | | 1,000,000 | | 1,200,000 | -200,000 | |
| <input type="checkbox"/> Credit Suisse Program Z | Business Program | Initiate | Unapproved | | | | 500,000 | 0 | 500,000 | 0 | |
| <input type="checkbox"/> Credit Suisse Project ZZ | Project | Execute | Approved | | | | 500,000 | | 500,000 | 0 | |

Credit Suisse Approach: Optimization

The second challenge was around portfolio optimization.

This is supported in Clarity with Portfolio Scenarios for which Investments are scored against a set of Optimization attributes.

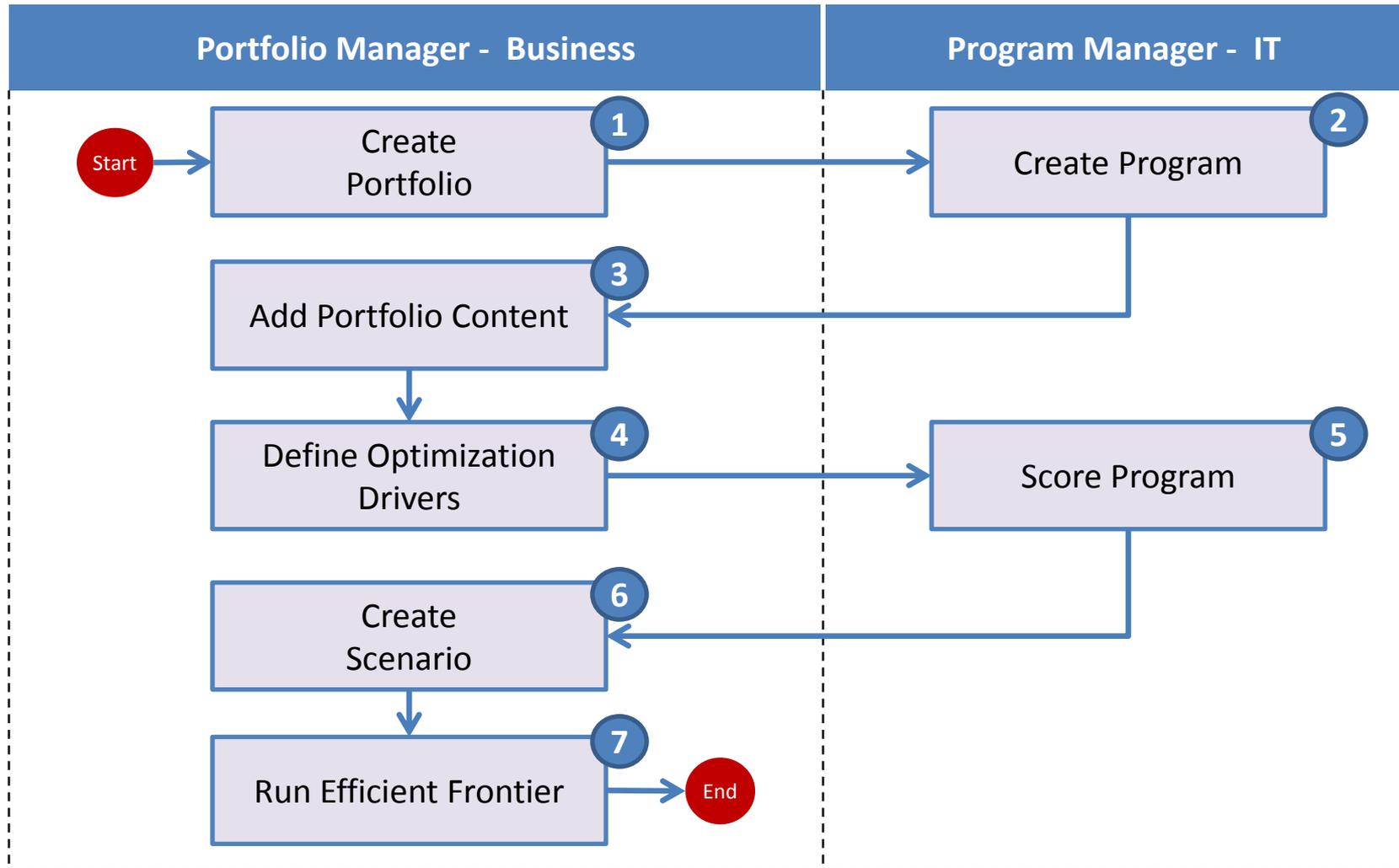
Challenge:

- Out of the box optimization attributes are plentiful, but our numerous business sponsors are not willing to agree on a common subset.

Solution:

- Custom fields shared on portfolio and related investments; content defined on portfolio, scoring on investment

Optimization: Solution Overview



Optimization: Solution

Define Optimization Drivers

4

Definition of Drivers and Scoring Guidelines at Portfolio level

Portfolio: Properties: Portfolio Optimization Drivers (Portfolio: Credit Suisse Business X)

Properties Contents Scenarios Scorecard Audit Analyze Portfolio Financials Cost Distribution Supplier Splits

Portfolio Credit Suisse Business X

Portfolio Optimization Drivers

Filter System Default

| <input checked="" type="checkbox"/> | Name | Driver Description | Scoring Guideline |
|-------------------------------------|------------|--------------------------------|---|
| <input type="checkbox"/> | Driver - 1 | Support of Business Strategy | Scale 1 to 5 according to Sponsor Meeting Rules |
| <input type="checkbox"/> | Driver - 2 | Complexity | 1 - minor 2 - medium 3 - major |
| <input type="checkbox"/> | Driver - 3 | Support of Operations Strategy | Scale 1 (no support) to 5 (major enabler) |

Total Results: 3

New ✓ Delete Exit

Custom sub-object associated to portfolio object

Optimization: Solution

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Score Program

Scoring of Program
against Portfolio
Optimization
Drivers

Custom subpage on
program/project
which inherits
drivers of portfolio
the investment
belongs to

Program: Properties: Main - Optimization (Program: Credit Suisse Program Y) [Manage Program Tabs]

Properties | Team | Tasks | Financial Plans | Hierarchy | Risks/Issues/Changes | Collaboration | Processes | Audit | Dashboard

Main | Subprojects | Dependencies

Open in Microsoft Project Read-Only Go [--Actions--]

Save Submit Cancel

Properties

- General
- Budget
- Financial
- Optimization**
- Program Admin
- CTB
- Business Case Statement
- Program Status Report
- Planning Scenarios

Access to this Program

- Full View
- Resource
- Group
- OBS Unit

Generic Drivers

Goal [--Select--]

Priority 10

Alignment

Update Drivers from Portfolio

Portfolio Name Credit Suisse Business X

Portfolio ID PF-000141

Update Drivers from Portfolio

Portfolio Optimization Driver 1

| | | | |
|--------------------------------|---|----------------|---|
| Driver - 1 | Support of Business Strategy | Driver 1 Score | 4 |
| Scoring Guideline for Driver 1 | Scale 1 to 5 according to Sponsor Meeting Rules | | |

Portfolio Optimization Driver 2

| | | | |
|--------------------------------|--------------------------------------|----------------|---|
| Driver - 2 | Complexity | Driver 2 Score | 2 |
| Scoring Guideline for Driver 2 | 1 - minor 2 - medium 3 - major | | |

Portfolio Optimization Driver 3

| | | | |
|--------------------------------|---|----------------|---|
| Driver - 3 | Support of Operations Strategy | Driver 3 Score | 1 |
| Scoring Guideline for Driver 3 | Scale 1 (no support) to 5 (major enabler) | | |

Optimization: Solution

Create Scenario

6

Use of Optimization Drivers in Portfolio Scenario

Scenario: Optimizations (Portfolio: Credit Suisse Business X | Scenario: Scenario 1)

Save Submit Cancel Generate

Properties

Roles

Constraints

Optimizations

Efficient Frontier

Investments

Access

- ▶ Full View
- ▶ Resource
- ▶ Group

| <input type="checkbox"/> | Attribute | Ranking Method | Attribute Weighting |
|--------------------------|----------------|------------------|---------------------|
| <input type="checkbox"/> | Driver 1 Score | Lower is better | 2.00 |
| <input type="checkbox"/> | Driver 3 Score | Higher is better | 1.00 |
| <input type="checkbox"/> | Driver 2 Score | Higher is better | 1.00 |

Total Results: 3

Add Remove

Save Submit Cancel Generate

Custom attributes from investments are available as portfolio scenario optimization criteria

Optimization: Conclusion

- Portfolio Scenarios/Optimization is helpful to select the right investments.
- However, in reality investments are hardly ever based solely on a score on the efficient frontier.
- The real value of optimization is for the sponsor to
 - Get aware of what's important to him (i.e. defining the optimization drivers)
 - Going through a structured process that provides sufficient data to make a decision

Questions



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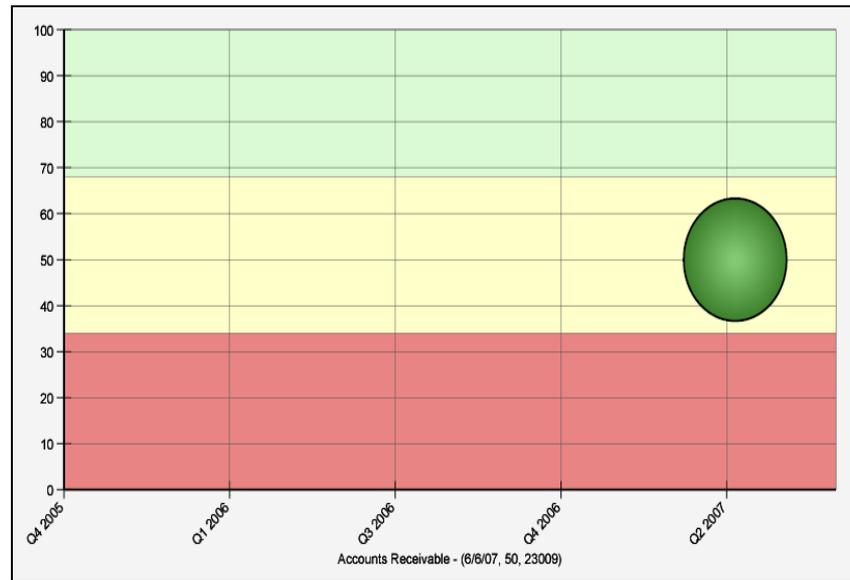
Appendix

References:

- PMI Standards (Project, Program, Portfolio)
- CA Clarity PPM Manuals and other CA Clarity PPM material.

Scorecard: Balance

- The Balance graph shows the relationship between Alignment scores and when the benefits will start. The size of the bubble represents the cost of the investment.



Scorecard: Gantt

- The Gantt portlet allows users to quickly view the current stage, status and current completion date of the project. Mouse-over the Gantt bar to see the start date, end date and status of the investment. The scenario icon indicates whether the investment has been altered in the scenario.

| Gantt | | | | | | Gantt | [--Actions--] | | | |
|---|------------|----------|--------|-------------|---------|---------|---------------|---------|---------|--|
| Filter [--Select--] | | | | | | | | | | |
| Name | ID▲ | Approved | Status | Stage | | | | | | |
| | | | | | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | |
| << < 1 2 3 > >> | | | | | | | | | | |
| Amica Implementation | AMICA | | | | | | | | | |
| KS Unicenter Asset Portfolio Management | AP00000001 | | ✓ | ◆ Proposal | | | | | | |
| Accounts Receivable | AP2001 | | ✓ | ◆ Maintain | | | | | | |
| General Ledger Application | AP2002 | | ✓ | ⚠ Configure | | | | | | |
| PeopleSoft Base Human Resources | AP2003 | | ✓ | ◆ Maintain | | | | | | |

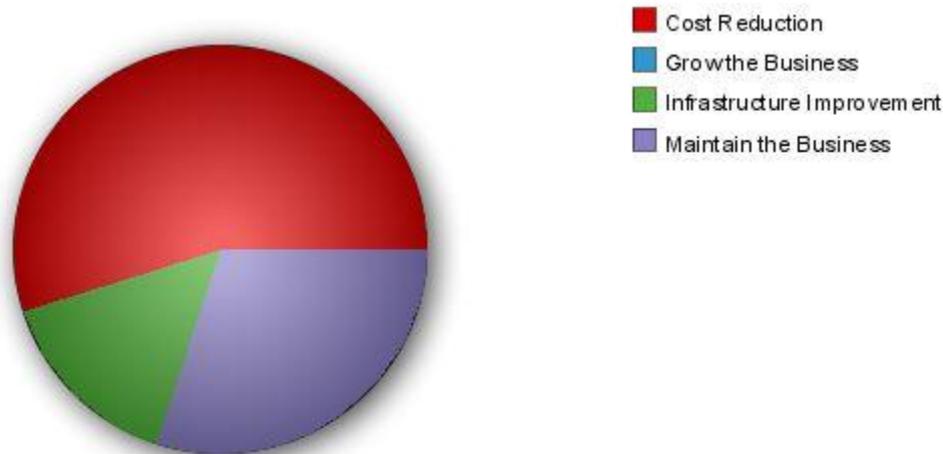
Scorecard: Financials

- The Financials portlet looks at the Cost and Benefits associated with the portfolio. It provides a listing of the cost, benefit, ROI and NPV for the investment along with a date when the benefit exceeds the cost.

| Financials | | | | | | | | | | |
|--|----------|-------------|-------------------------|-------------------------|--|-----------------------|--------------------|-------------|----------------------|--|
| Filter [--Select--] | | | | | | | | | [Collapse Filter] | |
| Portfolio Planned NPV <input type="text"/> to <input type="text"/> | | | | | Portfolio Planned ROI <input type="text"/> to <input type="text"/> | | | | | |
| Power Filter (Portfolio: All Investment Types Planned Cost > | | | | | | | | | | |
| Filter | Show All | Save Filter | Clear | | | | | | | |
| Investment | ID | | Planned Cost | Planned Benefit | Portfolio Planned ROI | Portfolio Planned NPV | Planned Break even | Actual Cost | Remaining Cost | |
| Accounts Receivable | AP2001 | | 23,008.85 USD | 93,684.21 USD | 307% | 70,675.36 | 9/30/07 | | 23,008.85 USD | |
| KS Labor Effort for Desktop Installation | PR000001 | | 19,736.84 USD | 30,000.00 USD | 52% | 10,263.16 | 2/15/07 | | 19,736.84 USD | |
| Aggregation | | | 42,745.69 USD | 123,684.21 USD | | 80,938.52 | | | 42,745.69 USD | |
| Comparison | | | 1,000,000.00 USD | 2,000,000.00 USD | | | | | | |
| Variance | | | 957,254.31 USD | 1,876,315.79 USD | | | | | | |
| Total Results: 2 | | | | | | | | | | |
| Highlighted rows = Approved Flag | | | | | | | | | | |

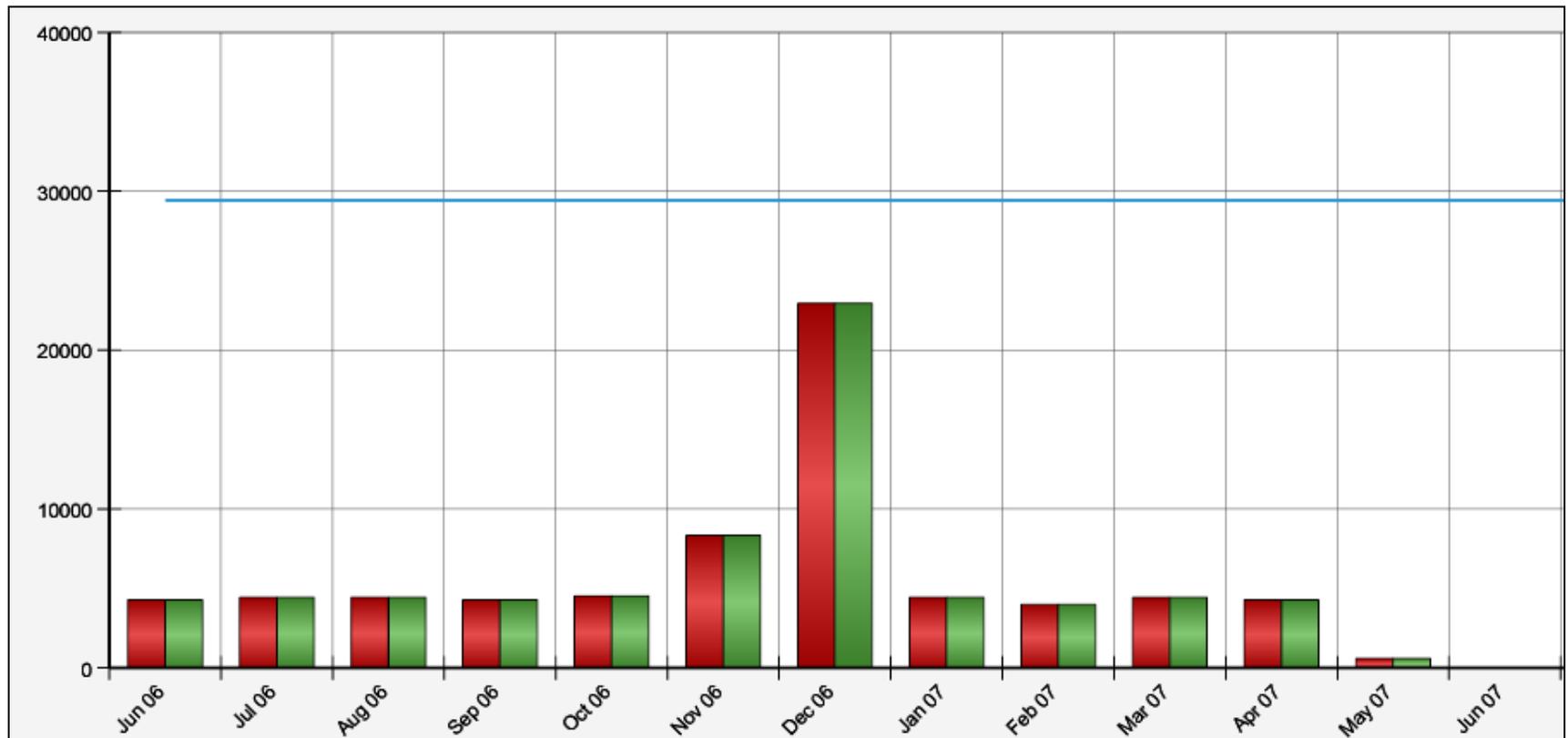
Analyze: Benefits by Goal

- Each investment has a goal field that can be populated. The size of the pie piece represents the number of investments with that particular goal.



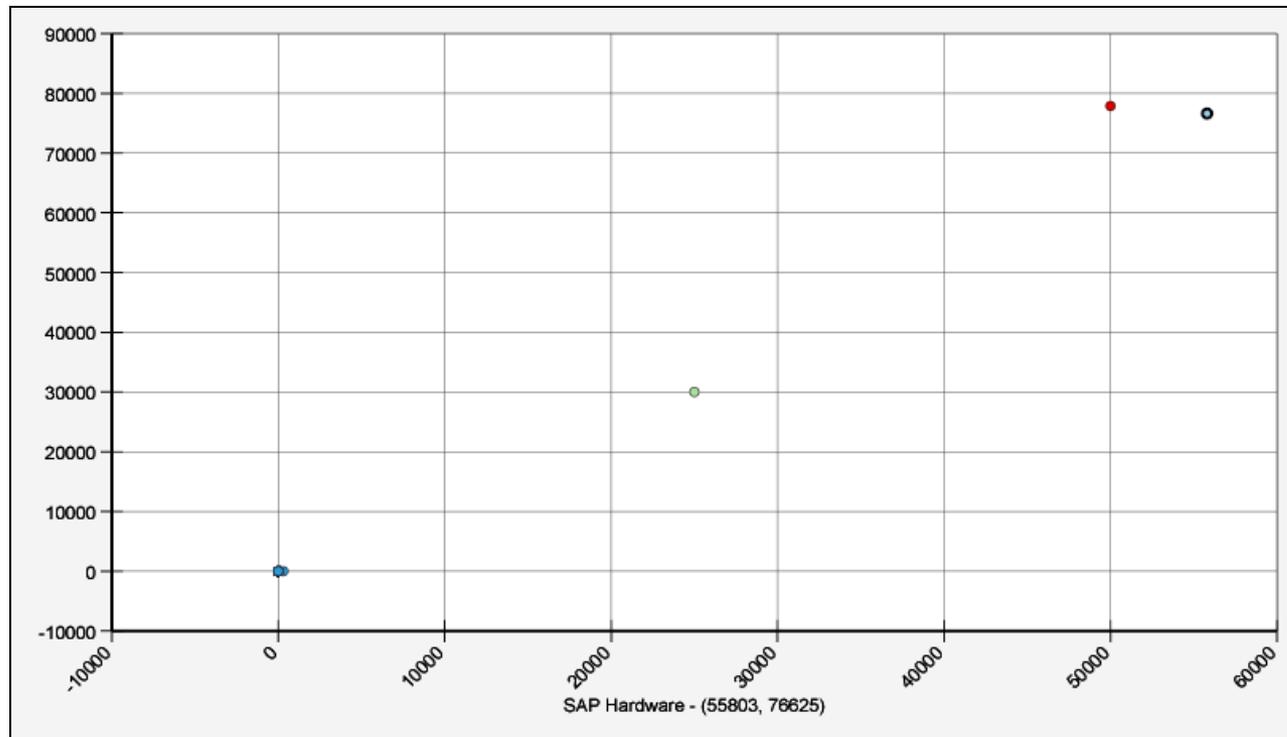
Analyze: Planned Costs

This graph displays costs across time for different variables.



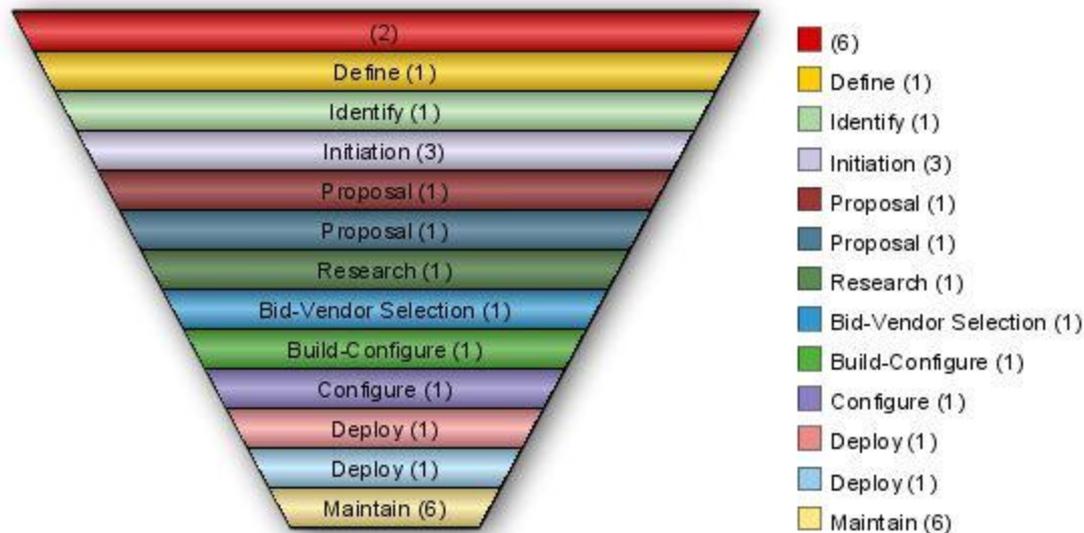
Analyze: Planned Cost/Benefit

- This chart maps each investment based on its cost and benefit totals. Mouse-over the bubbles to see the specific values.



Analyze: Life Cycle Funnel

- This portlet displays how many investments are in each stage of a given life cycle. Many life cycle options are available by using the Process dropdown at the top of the chart.



Analyze: ROI/Alignment Zones

This portlet displays the alignment scores compared to the Return on Investment.

